

This comment will be approved formally by the California Health Benefit Exchange Board at its meeting on September 27, 2011.

45 C.F.R. 156.520(e): Deeming of Qualified Health Plans

Under the NPRM's proposed construct, CMS automatically deems CO-OPs eligible to participate in the California Health Benefit Exchange if it determines that they meet federal and state standards. Although the proposed regulation requires CO-OPs to comply with State-specific standards for qualified health plans, California policymakers provided the California Health Benefit Exchange with the authority to selectively contract with participating plans. Requiring automatic eligibility for CO-OPs is inconsistent with selective contracting. To ensure that states' ability to selectively contract is not compromised, CO-OPs should be subject to the same competitive bidding process as other plans.